

NATURAL GAS REPORT FOR JULY 2004

FUTURES PRICES¹

Natural gas futures prices continued to trend downward, albeit moderately, in the month while the near month price volatility persisted. The continued buildup in gas storage and unseasonably cool temperatures combined to put a cap on the natural gas futures prices. However, hot weather forecast and a lower than expected weekly storage injection report in the month kept putting upward pressures on the futures prices as well. The July and August contracts were closed at NYMEX at a price of \$6.141 and \$6.048 per MMBtu's, respectively. The August price was about 29% higher than the last year's closing, while the July price was about 16% higher than that of the same period last year. The August contract expired at \$6.048 per MMBtu's on July 28 compared to \$6.217 per MMBtu's at the beginning of the month. As of August 13, NYMEX September futures were settled at \$5.533 per MMBtu's compared to \$5.179 per MMBtu's settled at the same time last year.

U.S. STORAGE LEVELS²

Relatively large injections, early in the month in particular, continued during the month. The continued unseasonably cool temperatures that limited the demands for gas-fired electric generation as well as low industrial demand from historically high natural gas prices contributed to the above average injections in the month. The total storage inventories in the U.S. as of July 30 are 2,380 Bcf, 242 bcf higher compared to the same period last year, and expanded the surplus over the previous five-year (1999-2003) average for the same week to 98 bcf.

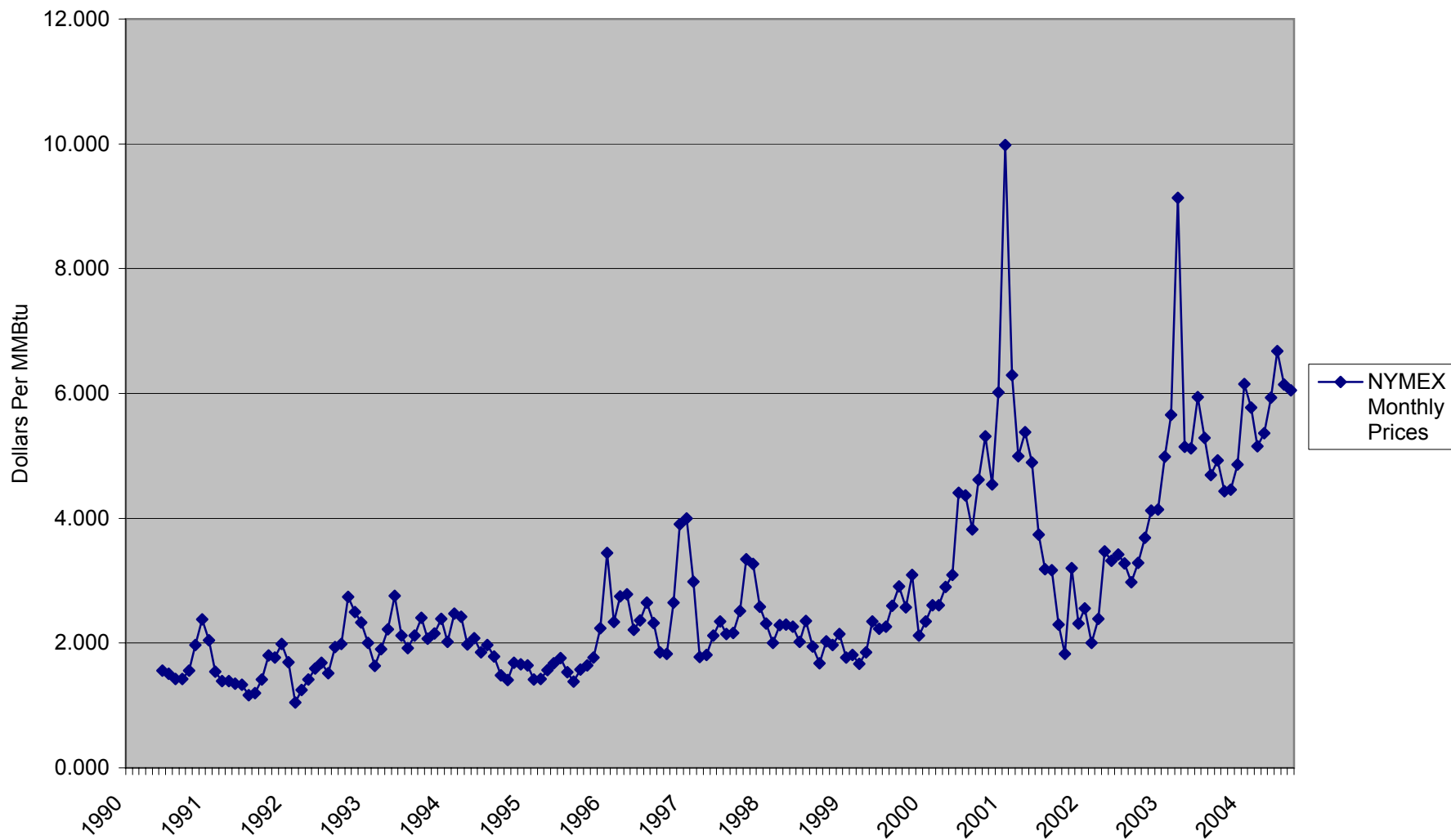
SUMMARY

The combinations of higher market prices and other market factors despite the above last year's national storage inventories could result in natural gas bills that are higher for consumers this year. The wholesale price of the natural gas commodity was fully deregulated by the federal government in 1993. Local natural gas distribution companies (LDCs) do not produce the gas they sell but purchase it on an open market at market prices. The Missouri Public Service Commission (PSC) does not regulate the price of the natural gas commodity, but does monitor LDC purchasing decisions. The PSC continues to review the gas purchasing practices of the distribution companies in terms of reasonableness and prudence.

¹ Data Source: Wall Street Journal

² Energy Information Administration's Natural Gas Weekly Update

Monthly Natural Gas Prices



Note 1: 1 Million British Thermal Unit(MMBtu) is approximately equal to 1,000 cubic feet

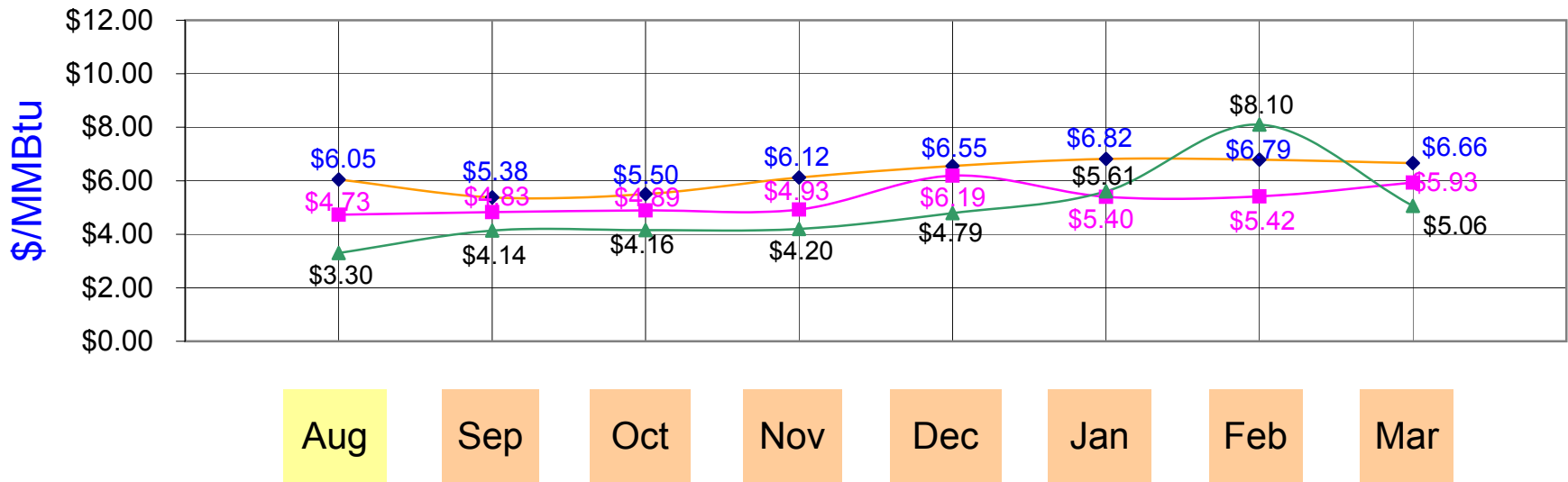
Note 2: Monthly Natural Gas Prices Based on the New York Mercantile Exchange(NYMEX) Expiration Prices, Source:WSJ

NYMEX Natural Gas Commodity Price

Historical Month Price on the Last Trading Day of the Month

Current Month Price on Last Day Traded, 07/28/2004

Future Month Price on 08/16/2004



Heating Season

—◆— 2004-05 —■— 2003-04 —▲— 2002-03